

Biden Settles Consumer Fraud Charges with Ryan Homes

Attorney General Beau Biden announced today that his office has settled its civil consumer fraud charges against NVR, Inc., which does business under the name "Ryan Homes."

Ryan Homes built several sections of homes in the Odessa National development, in Townsend, Delaware. The complaint alleged misrepresentation in the sales of homes to 39 different buyers. "This settlement provides welcome relief to homeowners who have been paying for something they didn't get. It shows that we will take action to protect homeowners who do not receive full disclosure of the terms of sale," Attorney General Biden stated. The settlement provides relief for 44 homeowners that had filed complaints with the Consumer Protection Unit against Ryan Homes. The agreement provides reimbursement to homeowners for the period of time when they have been paying for promised amenities that they did not receive. For most, it provides a payment to the homeowners calculated for the period between their settlement date and the end of 2010, when it is expected that the amenities will be completed. The amenities that were promised include a golf course, a clubhouse for the golf course, a swimming pool, and a tennis court. All homeowners are receiving reimbursement for fees that they have paid since they have been living there.

The relief varies among the homeowners, depending on the nature of their complaint and what the alleged misrepresentations were. Reimbursement amounts are discounted after July 2008, when the golf course, which is one of the amenities, opened for operation. Additionally, Ryan Homes is paying \$30,000 to the Delaware Department of Justice for its investigative and attorney costs in connection with the litigation. Ryan Homes is paying more than a quarter million dollars under this settlement. Biden added, "We want to thank

Ryan Homes for the extensive cooperation we have received in negotiating this settlement. Ryan worked with us to correct the problems. While it is not everything the homeowners might have wished for, it is a resolution that provides real and immediate relief for those who were most damaged.” The investigation and lawsuit was led by Deputy Attorneys General Ian McConnel and Richard Hubbard and the Delaware Department of Justice Consumer Protection Unit.

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